GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4768
ANSWERED ON:30.03.2017
Power Tariff
Karandlaje Km. Shobha;Simha Shri Prathap

Will the Minister of POWER be pleased to state:

(a) whether the Government has set up a Committee to look into the issues relating to restructuring of tariff so as to reduce the burden on industrial/ manufacturing units, by making domestic and commercial consumers of electricity pay more;

(b) if so, the composition and mandate of the Committee and the recommendations made by it;

(c) the justifications for seeking reduction in tariff applicable to industrial/ manufacturing units;

(d) whether the provision in the Electricity Act, 2003 requires bulk electricity consumers to pay an Open Access Surcharge (OAC) to SEBs, whom they want to leave, rendering switch to new supplier uneconomical and if so, the details thereof;

(e) the measures taken by the Government for a viable and sustainable solution to the problem of high tariff currently charged from manufacturing units within the framework of fundamental causes; and

(f) whether the Government proposes to urge the States to step giving subsidized/free power to farmers/ households and curb theft and if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) to (c) : No, Madam. However, the Government of India, vide order dated 30th August, 2016 and 7th September, 2016, has set up a Committee headed by Special Secretary, Ministry of Power to suggest measures to rationalize tariff structure, conduct comparative analysis of tariff structure prevailing in different States and also to suggest a roadmap for reduction of the tariff vis-Ã -vis recovery of all prudent cost incurred by Discoms.

(d) : Section 42 of the Electricity Act, 2003 inter-alia provides that open access shall be allowed on payment of a surcharge and additional surcharge, apart from the charges for wheeling as may be determined by the State Electricity Regulatory Commission (SERC) to compensate the utility for existing cross-subsidies and stranded assets being the provider of last resort.

(e) & (f) : The tariff of different categories of consumers, including manufacturing units in the States is determined by the respective State Electricity Regulatory Commissions (SERCs)/Joint Electricity Regulatory Commissions (JERCs), based on the principles enunciated under the Electricity Act, 2003 and policies framed thereunder. The State Governments can give subsidy to any category of consumers to the extent they consider appropriate as per the provisions of Section 65 of the said Act, as well as Clause 8.3 of the Tariff Policy. There is no provision regarding direct control of the electricity tariff by the Central Government.

However, through appropriate policy framework and programmes, the Government is promoting efficiency in generation, transmission and distribution business as also supporting strengthening of the distribution and transmission infrastructure, with a view to reduce the Aggregate Technical and Commercial (AT&C) losses. These measures, alongwith the Government's emphasis on discovery of tariff through competitive bidding, contribute towards lowering power purchase cost of Discoms which ultimately result in lower tariff.

As regards, curbing of power theft, the Electricity Act, 2003 provides a legal framework for making theft of electricity a cognizable offence. For checking theft of electricity, the Electricity Act, 2003 has incorporated specific provisions for detection of theft, speedy trial of theft related offences and also for the recovery of the charges of electricity stolen.

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